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The weather was perfect in October—one beautiful day after the next, without snow, rain, or temperatures below 20F. Residents love this time of year, enjoying while they can both the weather and the calm before the onset of winter.

USAID News. October was hectic at USAID/Mongolia. Senior Program Manager Jeff Goodson worked on US Secretary of Defense Donald Rumsfeld's October 22 visit to Mongolia. The logistics went off like clockwork, and the events received great press—especially the Mongolians' gift of a horse that the Secretary named Montana. The visit was great practice for staffers, as USAID and the embassy began preparations in October along with advance teams for the visit of President George W. Bush and First Lady Laura Bush in November.

At a less high-profile but nonetheless critically important level, the mission prepared to welcome two new projects to its portfolio. With funds from the regional HIV/AIDS project managed by the RDM/A in Bangkok, our partner PACT began this month to work in earnest on a new HIV/AIDS effort here. The importance of this project, which will seek to raise general awareness of the issue in Mongolian society and to educate the country's most vulnerable populations, was highlighted by the announcement this week of Mongolia's 14th confirmed AIDS case. In addition, USAID/Mongolia is pleased and proud to have won approval from USAID/Washington to become part of the Agency's Last Mile Initiative, which seeks to expand internet and telecommunications access to the hardest-to-reach places on the globe (a category for which Mongolia's rural hinterland certainly qualifies). We expect to welcome an LMI design team here in late November.

In other USAID news, two of our chiefs of party visited North Korea in October and Senior Foreign Service National Mendsaihan went on training to India and Thailand. USAID's Office of Foreign Disaster Assistance donated 500 protective suits to Mongolia's National Emergency Management Agency, to protect scientists and other workers involved in epidemiological work, and a four-expert team arrived in October to conduct a mid-term evaluation of the Economic Policy Reform and Competitiveness Project (EPRC). The Mission was also involved in intense follow-up to release of the USAID-funded Mongolia Anti-Corruption Assessment in late September. XacBank threw a major event in early October to mark a \$1 million equity investment in the bank by Triodos and ShoreCap banks, and to thank USAID for its financial assistance over the last five years. The USAID/EGAT grant to XacBank—originally the brainstorm of then-Gobi Initiative Chief of Party Stevan Vance, now with USAID/East Timor—ended on September 30.

The month was punctuated with World Series fever at USAID. As teams fell out of the playoffs, consensus (naturally) grew behind support of the Houston Astros. Although it was their first time

ever in the Series, they were swept 4-0 by the Chicago White Sox. It was enough excuse for a party, though, which Jeff Goodson threw at 8:00 AM on Sunday when the first game was broadcast live. In spite of the hour, nearly twenty people showed up for breakfast, baseball, and bloody marys. And last, but certainly not least, was the Halloween Party to end all Halloween parties that was held at Strings Nightclub on the Saturday before—the last real bash until after the President is “wheels up”.

PART I: USAID PROGRAM NEWS

STRATEGIC OBJECTIVE #1 **PRIVATE SECTOR-LED ECONOMIC GROWTH**

Economic Policy Reform and Competitiveness Project (EPRC)

Chemonics

www.eprc-chemonics.biz

Economic, Financial and Trade Policy Support

Shadow Economy. On October 4, EPRC, the Open Society Forum (OSF) and the National Statistics Office (NSO)—the partners funding the 19,000 household shadow economy survey—held a public presentation of the survey findings. The shadow economy of Mongolia is sizeable, about 40% of the official economy, but smaller than in most other developing, emerging-market countries. During the next quarter the project will prepare an easy-to-use guide to the shadow economy based on further analysis of the data.

Tax Reform

Tax Reform Communications Strategy. The last of the weekly tax briefings supporting the tax communications strategy of the Ministry of Finance (MoF) and the General Department of National Taxation (GDNT) was published in October. The briefing “Legal Entity Income Tax Law: Investment Incentives” brought the cumulative number of these briefings to fourteen.

Tax Revenue and Tax Impact Analyses. EPRC is working closely with the General Department of National Taxation (GDNT) in the analysis of tax revenues. About eighty percent of taxes are paid by 100 taxpayers; the contribution of the rest of the economy is relatively small. Moreover, budget organizations and state-owned enterprises generate about one-half of tax payments, indicative of a persistent presence of the state as an economic agent. In late October, the Minister of Finance asked for project assistance in quantifying the micro-economic impact of different personal income tax (PIT) rates and thresholds, VAT rates, and customs duties. EPRC has begun work with MoF staff on these issues.

Tax Reform Facilitation. EPRC held additional meetings with members of the Parliamentary Tax Working Group (PTWG) and other relevant Members of Parliament (MPs) in October. At the request of PTWG members, the project prepared new drafts of the “legal entity income tax” or LEIT—formerly known as the corporate income tax (CIT)—and personal income tax (PIT), incorporating amendments solicited by the PTWG. A new draft of the LEIT was delivered. The project also completed the new PIT in draft and translated it into Mongolian. The project has shared the new LEIT draft with the Ministry of Finance (MoF) and the General Department of National Taxation (GDNT), and it will also share with them the new PIT draft when it is delivered to the PTWG.

SGH Standing Budget Committee/Tax Working Group Retreat. The first of what is planned to be a short series of off-site retreats with Parliamentary members was held October 8 at the Hotel Mongolia. Attendees included the Chairs of the Budget Standing Committee, Economic Policy Standing Committee, MPRP caucus, and the Parliamentary Tax Working Group. In total, approximately 30 MPs were in attendance, plus 10 MP assistants. Primary topics included the Legal Entity Income Tax (LEIT) and Personal Income Tax (PIT) proposals that MoF submitted to Parliament on July 14. Presentations included summarizing the MoF proposals and comparing them to international best practices. MPs considered the retreat successful, stating that the information received and discussion of issues were valuable. A second retreat will gain concurrence on rates, thresholds, and key provisions included in new LEIT and PIT drafts requested from EPRC by the PTWG, plus initial discussion of value added tax (VAT) issues.

Cluster and Business Development Support

Tourism

New Tourist Information Centers Planned. Based on the success of the EPRC-conceived Tourist Information Center (TIC) in Ulaanbaatar, the Ministry of Roads, Transport and Tourism has announced plans to open new TICs in Beijing, China and Seoul with its own resources. Last month, the first overseas TIC was opened in Tokyo. China, Korea and Japan make up over fifty percent of visitors to Mongolia.

Tourism Portal Introduced to Industry. On October 27, the project organized a meeting with industry stakeholders to discuss the new tourism portal and its potential applications. The response from industry was lukewarm, with some tour operators reluctant to share price information and not understanding the value of the site. This comes as no surprise, and reflects the current fragmentation in the industry. EPRC will move to the next stage, development of the business model, before re-presenting the portal idea to the industry.

Natural Fibers

Cashmere Linkages with Hong Kong. The problems with finding ‘trade insiders’ for New York and Hong Kong were solved in October, and EPRC is now putting together a plan for visits to both venues in early 2006—New York in January; Hong Kong in February. The Business Development Fund (BDF) will be used to co-finance the trips, with client companies contributing 50% of the costs. Companies already committed are Eermel, MCCWC, and Altai Cashmere; Sun Shiro and Gobi Corporation are still considering whether to participate.

Inquiries Received for Mongolian Cashmere. EPRC textile expert Philip Eddleston has generated a number of solid cashmere inquiries from the United Kingdom. One potential order is for 160,000 cashmere scarves; another is for 100,000 plus merino/cashmere blends; and a third is for household textiles, throws, and blankets. The factory FOB value of the cashmere scarves order alone is estimated at US\$3.0 million. Philip Eddleston will have meetings in Edinburgh, Scotland, with a representative of Mongolian producer this week. EPRC is liaising with other potential suppliers and will provide technical assistance as needed—especially in quality control—if the orders materialize.

Doggy Cashmere. EPRC client “Tengerland” has dispatched another 200 cashmere doggy jackets to the United States with a retail value US\$35,000.

Meat, Leather and Other Markets

Pet Food Prospects. There is continued interest from Japan for horse meat-based dog food. Jim Krigbaum, Chemonics' Asian Markets expert, is coordinating field trials in Japan and EPRC is working with Mongolian counterpart firm 'Khaltansuikh' to develop packaging and labeling suitable for the Japanese market.

Other Potential Niche Exports. Interest in blueberries and cranberries, frozen or in the form of jams, remains high. EPRC has had meetings with 'Bat-Sarain' to discuss the 2006 harvest and quantities likely to be available for purchase/export. Modifications will be needed in jar sizes, labeling, packaging, etc. EPRC is now trying to expedite the visit of Japanese buyers to discuss a partnership for 2006.

Finance

Urban Housing Finance. In October, Claude Bovet, an expert in urban housing finance, completed the information-gathering phase of his consultancy to help the GoM develop a politically viable, fiscally sound, private sector-oriented plan to deliver affordable urban housing based on best international practices. The primary objectives are to: (1) provide the GoM with recommendations on the most appropriate means of achieving its goal of providing about 40,000 new or improved housing units for lower income families over the next five years; and (2) support the private sector by recommending ways for the financial sector to offer longer term, more affordable housing finance. Mr. Bovet's report will also explore the possibility of using USAID's Development Credit Authority (DCA) guarantee products to stimulate private sector housing finance. Public presentations of the findings and recommendations are scheduled for November.

Energy Sector Support

Energy Law. The Ministry of Fuel and Energy is currently reconciling various versions of the draft law, on which EPRC has commented extensively. The final draft is expected to go to the Cabinet and Parliament in early November.

Renewable Energy Law. The Renewable Energy Law, which EPRC has also commented on, is progressing through the system. USAID understands that it was submitted for review to the ministries and presented to the cabinet. Passage is expected during the fall session.

Market Structure Development. The Energy Regulatory Authority (ERA) has asked EPRC for assistance with development of a bilateral contract market structure to replace the single-buyer-market currently practiced. Chemonics is actively recruiting for qualified experts to assist in this endeavor.

Energy Sector Finance. The energy sector's stated profit of 520 million MNT turned into a 36 billion (yes, billion) MNT loss in 2004 after application of the International Accounting and Financial Reporting compliant Uniform System of Accounts (USOA). The new accounting system identified bad debt expenses, removal of capitalized maintenance expenses, accrual of interest expense on loans, and recognition of currency exchange losses as required under the international accounting standards introduced over the last year with EPRC assistance. Data show that the energy sector as a whole is virtually bankrupt. The amount of actual loss is expected to increase when Ministry of Finance (MoF) loans assigned to companies but not currently recognized by them are put in their books, and the corrected market valuation of assets is entered for assets whose values have been increased arbitrarily. EPRC and the Mission will be developing strategies on how to communicate the findings and work with the various ministries involved to seek ways of addressing future capital financing needs of the sector.

Regulatory Transparency. In September and October, the Energy Regulatory Authority (ERA) officially adopted three project-initiated and drafted procedures: Public Hearing Procedures, Tariff Review Procedures and Inter-company Dispute Resolution Procedures.

Public Education/National Dialogue Support

National Dialogue on Taxes. Finance Minister Altankhuyag and the General Department of National Taxation (GDNT) Director Zorig were the guests of the first national multimedia *Open Government* (OG) website multimedia chat on October 4. Carried over national television, radio, and the internet, the “super chat” generated 24,144 hits at the OG chat server, with 600 unique visitors. Sixty-three questions came via the internet, 115 questions came on the live telephone lines set up for the event, 142 came through SMS (cellular phone messages), and 14 from the live studio audience. An estimated 663,000, or about one out of every four Mongolians, watched or listened to the program. The week before the chat, the project assisted the *Open Government* website and the MoF with the publication of their July 14 tax proposals in national newspapers so that citizens would have a chance to read and examine the proposals before the program.

Second Media Chat on Taxes. The second multimedia chat of the *Open Talks on Taxes* series was held on October 18 with the participation of representatives from the Mongolian National Chamber of Commerce and Industry, the North American Mongolian Business Council, the Mongolian Employers’ Association, and the Mongolian Association of Meat Exporters. Five-hundred-and-fifty unique visitors to the OG chat server generated 19,832 hits. Fifty questions came through the OG internet chat server, 121 through the live telephone lines and 240 through SMS messages. There were ten questions from the live audience, and an estimated 600,000 watched or listened to the program. The project is currently negotiating the participation of members of the State Great Hural tax working groups in the third program of the Open Talks on Taxes national chat series. The “chat” format, pioneered by EPRC in Mongolia, is quickly gaining popularity among politicians.

Mongolia ranked 96th in WEF Growth Competitiveness Index. Culminating work started a year ago acting as a National Partner for the World Economic Forum (WEF), EPRC, WEF, and the Open Society Forum conducted a public presentation on October 13 of the findings of the survey in Mongolia. Ms Emma Loades and Ms Kerry Jaggi represented WEF for the event. This is the first time that Mongolia is ranked in the *Growth Competitiveness Index* (GCI), and results of the survey show an extraordinary convergence of Mongolian businesses’ perceptions about the biggest constraints to competitiveness. Having successfully completed its role as WEF’s 2005 National Partner and initiator of the GCI rankings, EPRC will hand over that role to the *Open Society Forum* for 2006 and future years.

The Gobi Initiative Phase II

Mercy Corps International and PACT

Trade Fair. The Bayanhongor Aimag government, in cooperation with the Gobi Initiative (GI), organized the “Bayanhongor Trade Fair” in Ulaanbaatar in October. A total of 150 businesses from all twenty soums participated in the event, generating sales of 32.5 million MNT (\$27,000). Dairy products were in greatest demand, and all dairy products were sold out within the first day. GI client Jargalant Sumber Hairhan cooperative sold 2.5 million MNT (\$2,000) of fresh dairy products at the fair.

New Leadership Training Course. Gobi has been working with client cooperatives to identify and develop the "next generation" of cooperative leaders, and has developed a Young Leaders training course. The topics covered include cooperative management and leadership skills, basic financial record keeping of cooperative accounts, and how to market local products produced by the cooperatives. The first course was held in October, and others will follow in other target aimags (provinces) over the coming winter.

Veterinary Training. Veterinary Laboratory training was conducted in the Dundgobi, Umnugobi, Uvurhangai, and Bayanhongor Aimag Veterinary Laboratories in October. The training focused on diagnostic tests for infectious disease monitoring, epidemiological principles, and food hygiene. This training complements the new USAID-funded laboratory equipment that is now arriving in country, and that will be installed by the end of the calendar year. Together, the training and laboratory equipment will result in fully operational veterinary laboratories serving animal and human health needs in the target aimags.

Prime Minister Lauds the Gobi Initiative. Mercy Corps was invited to make a presentation at a major poverty conference in October, chaired by Prime Minister Elbegdorj. All major donor programs that have a focus on poverty reduction, economic development, and income generation participated in the meeting. During the meeting, the Prime Minister commented that "The Gobi Initiative Program is one of best implemented programs in the country."

Herder From the Future. RBN finalized production of the final series of the Herder from the Future radio drama in October. Installments 101-126 will be broadcast nationally.

The GER Initiative

CHF International

October continued to be busy for GER, even as fall started to segue into winter. Fifty-three businesses were improved or expanded, 12 new startups were created, 116 people were matched to jobs, and 40 new job placements were generated.

Prime Minister Visits GER Initiative. Prime Minister Elbegdorj visited the Bayanhoshuu branch of the GER Initiative in October, and met with project management and project clients. GER clients had previously held a workshop on proposed changes to the tax laws, and they presented the Prime Minister with an itemized list of eight priority tax law changes affecting their businesses. The Prime Minister also took the opportunity to visit with other ger area residents to discuss infrastructure needs.

Borroo Gold Collaboration Strengthens. Borroo Gold expanded its collaboration with the GER Initiative in October. In an effort to expand the amount of goods and services procured from within Mongolia, the company hired additional GER clients to manufacture items for mining operations. CEO Paul Korpi also visited GER Initiative offices in October, and began discussions about the possibility of opening a GER Initiative office near the mine district.

Training. Some 453 clients participated in business training this month. Specialized training took place on a variety of topics, including savings and consumption; livestock slaughtering; and knitwear design trends.

Consulting. GER provided consulting services to 534 clients in October, 324 of whom were new clients. One, a cosmetics seller, implemented a bonus card system which increased sales income by 30%, increased the number of customers, and allowed them to create four new jobs.

Financial Services. GER facilitated or financed 78 loans in October worth over \$106,000, and 38 Capital Augmentation Fund (CAF) loans were disbursed with a total value of over \$40,000. This was the highest disbursement of CAF loans since inception of the CAF product. As of the end of October, 37 of 896 facilitated loans were in arrears, and ten of 166 CAF loans were in arrears. There have been only five defaults in facilitated loans, however, and none in the CAF loans.

Information. Some 396 people accessed information services from the project in October. The project was deep into its third khashaa (ger land) valuation survey, with over 1000 evaluation forms already gathered. GER also started a major video project in October. Fifty-eight client television commercials were recorded and will air in the coming months; three employment training videos were prepared that outline the success of employment matching clients; and 20 versions of GER Initiative commercials have been recorded and will be aired in the coming months.

Linkages. October saw 15 large business linkages made, including a number of a number of sales linkages to mining companies. Major Drilling purchased \$4,971 worth of products from five clients that included sample bags and core trays; Boroo Gold purchased 375 work vests for \$2,175 from three clients; and GER Clients also delivered 260 kg of pork to Boroo Gold. The Bayangol and Yarmag branches of GER held meetings among traders in October to introduce clients to wholesaler sellers. These introductions continue to result in favorable purchase prices and delivery terms for GER Initiative clients.

Employment Services. GER sponsored employment and vocational training for 135 individuals in October. A branch office in UB held a successful labor day fair, and the project began collaborating with the Center for Employment and Social Welfare in Choibalsan to arrange temporary public works employment for 13 ger area residents.

Business Associations. Of the 99 business associations formed by the project, 66 are considered successful because they have made a profitable transaction and 46 are considered active, sustainable associations. The Erdenet Yak hair rope group "Erchim" continued its solid sales performance in October, with sales of over \$700. An auto repair group in Choibalsan took out a loan from the Employment Support Fund in October, and the project met with the director of the Darkhan Nekhii Factory to help arrange for client to sew gloves and slippers.

Other. In other GER Initiative news, a group in Choibalsan began an equipment survey in preparation for potential collaboration with Inner Mongolia equipment sellers, and a "Great Mongol 800" crafts fair was held in October at which twenty GER clients participated.

STRATEGIC OBJECTIVE #2
MORE EFFECTIVE AND ACCOUNTABLE GOVERNANCE

Judicial Reform Project (JRP)
National Center for State Courts (NCSC)

Legal Study Tour. The Mongolian Advocates Association leadership had a very successful study tour to learn about member and public services provided by American bar associations, areas of legal practice that are new to Mongolia, and law firm administration. Members of the Board attended continuing legal education courses on international intellectual property practices and adversarial trial skills at the annual meeting of the Hawaii State Bar Association. Tour participants were variously briefed by the State Bar Association, the Office of Disciplinary Counsel, the State Public Defender, the Hawaiian Legal Aid Society, the Volunteer Legal Services Program, and a managing partner of Hawaii's second largest law firm. Topics included the use of public websites, funding, membership services, attorney discipline, representation of indigent defendants, the provision of legal services to the poor, and law firm management, technology, and client services. The Mongolian Advocates Association is planning a seminar based on the information acquired, and it will also prepare a handbook for lawyers on law practice management. Mr. Purevnyam, the President of the Association, was interviewed on Hawaiian television and by a Hawaiian business journal about their experience.

New Chief Justice of the Supreme Court. Justice S. Batdelger—an ardent supporter of automation, court observation and transparency and reform generally in his prior position as Chief Judge of the Capital City Court—was named as the new Chief Justice of the Mongolian Supreme Court. JRP looks forward to increased cooperation with Batdelger because of his history of dynamic leadership. He will serve a six-year term.

Court Observation Project Report Finalized. Otgontenger University completed its report on the Court Observation Project in October. The report will be presented to the judges, with awards for the best court. The observations make clear that a number of problems exist, but that some courts have been able to solve them—something that should spur the courts to improve their rating and public perception. A summary is being prepared for the media.

National Legal Center (NLC) Course. The NLC is holding its second annual “Baby Judges” course. JRP organized the first such course last year to introduce new judges to best practices and to help them make the transition to the bench. This year, the NLC is able to conduct the course on its own with assistance from the JRP only for the trial skills portion. In that part of the course, new prosecutors and advocates were invited to participate in a two and one-half day session of mock trials and group analysis of the trials by video tape. This has been a very successful and popular course which now will be completely sustainable.

Infrastructure and Media Access. JRP completed the assembly and installation courtroom furniture and microphone systems at the Capital City Court and all UB District Courts in October, and the GCC agreed to issue a new regulation that will ensure media access to the courts.

Political Parties and Parliamentary Support Project

International Republican Institute (IRI)

End of the USAID-IRI Cooperative Agreement. October 31 marked the end of the USAID-IRI cooperative agreement to implement the Political Parties and Parliamentary Support Project. A new cooperative agreement is being finalized, so that IRI can continue work on election and parliamentary reform. IRI completed work on the previous agreement in October, and we anticipate a smooth transition as work begins on the new agenda. That work will begin as soon as the new agreement is signed by both parties, probably in early November.

Parliamentary Development. IRI's schedule heated up in October, starting with the re-convening of the fall session of the SGH on October 3. During the month, IRI met with newly seated MP Enkhbold (Constituency #24) and received assurances that he would support IRI's parliamentary initiatives. IRI also hosted a District Representative training session in Parliament House with cooperation from the Secretariat's Office. US Charge d'Affaires Brian Goldbeck addressed over 120 MP representatives and staff members from throughout Mongolia. The training focused on the roles and duties of staff members; communicating with the MP; improving constituent services; cooperating with the Secretariat's Office; the legislative activities of the SGH; and increasing voter participation.

Legislative Work. IRI held discussions with State Structure Chairman MP Batbold in October on key legislation that is closely followed by IRI—especially ethics, committee rules, and anti-corruption and election law changes. Batbold assured IRI that action will be taken on these issues in the fall session of the SGH. On October 20, the annual IRI-SGH Joint Working group dinner was held. Key MPs and USAID officials were in attendance to discuss pending legislation and actions. Throughout October, IRI's Mongolian staffers have been meeting with an array of interested individuals and organizations to discuss pending legislation, and to promote IRI activities and future cooperation. Meetings have been held with the Secretariat's Office; the Head of SGH Protocol Office; MPs Gundalai, Enkhsaikhan, Zandanshatar, Erdeneburen, Ms. Mukhtuya, Ms. Oyun, Demberel, and Odkhuu; IRG participants; MP assistants; the Norwegian Ambassador to China (who is also accredited to Mongolia); local international NGOs; and three representatives from the Swedish Parliament.

Political Party Development. On October 3, a legislative lobbying luncheon was organized jointly with the leaders of the women's auxiliaries from the DP, MPRP, CW-RP and Motherland political parties. Members of Parliament and experts of the State Structure Committee, along with officials from U.S. Embassy and USAID, attended the event. Issues of pending legislation and women's representation in the Election Law draft were discussed.

OTHER USAID/MONGOLIA PROJECTS

Eastern Steppes Living Landscape Project *Wildlife Conservation Society*

In October, the Eastern Steppes Project moved forward with plans to hire a full-time GIS and remote sensing specialist and to establish a working office in Ulaanbaatar. Reaching full staffing levels and increasing its accessibility will facilitate the strengthening of partnerships with local and international members of the conservation community. The increased visibility will also improve the project's effectiveness in translating the findings of field-based projects into national level policy that will sustain wildlife, preserve biodiversity, and improve the livelihoods of the people of the Eastern Steppe.

WCS Recruiting a GIS/RS Specialist. The successful candidate for the GIS/remote sensing specialist will develop, organize, and maintain a GIS for the Eastern Steppe, acquire and analyze remotely sensed data for application in conservation and research, model habitat quality and use of the steppe by wildlife, and model the distribution of human activity. Candidates will be interviewed in November, and the position is expected to be filled by December 1, 2005.

Gazelle Field Work. Four Mongolian white-tailed gazelle were successfully captured and fitted with satellite collars along the Mongolia-China railroad in October. This work was a collaborative effort among the WCS/Mongolia team, the Mongolian Academy of Sciences, and Dr. Ito Takehiko from the Arid Land Research Center in Tottori University, Japan. Data from satellite tracking of the gazelles will improve our understanding of gazelle movements and habitat requirements in this yet unstudied region of the Eastern Steppe.

International Collaboration. The gazelle satellite collaring project moves forward the work outlined by the international white-tailed gazelle working group established during the WCS-sponsored Gazelle Workshop held in 2004. The gazelle-based work on the Eastern Steppe also benefited in October from a visit by two biologists from the WCS North America Program, Dr. Joel and Kim Berger, who specialize in the study and conservation of long-range migratory species.

BBC "Great Plains" Documentary Update. The grasslands and gazelle migration of Mongolia's Eastern Steppe will be featured as the lead segment of the BBC "One Planet" series featuring grasslands around the world, in a "Great Plains" documentary due to air in the summer of 2006. WCS helped the film crew gather footage of the region over the past three years. The final program will raise international awareness of this unique grassland ecosystem, and the Mongolian gazelle herds that represent the last great migration spectacle in Asia. In addition, Mongolia-based material from the documentary filming will be made available to WCS for use in educational material.

WCS Field Veterinary Program. Dr. Damien Joly from the WCS Field Veterinary Program was in Mongolia in October to initiate the Conservation Endowment Fund-sponsored small grant project, designed to examine the role of Mongolian gazelle in foot and mouth (FMD) epizootics on the Eastern Steppe. Dr. Joly was also able to meet with Mongolians in the veterinary and public health sectors who collaborated with WCS on the avian influenza investigation of migratory birds in Mongolia, and share findings from the field study conducted in August of 2005.

Training, Advocacy and Networking (TAN) Project

Mercy Corps International

New TAN Chief of Party. TAN Chief of Party Silas Everett left post permanently at the end of October to join his wife—new Asian Development Bank intern Jeanne Everett—in Manila. He did a great job with TAN, and will be sorely missed here both on and off the field. Mercy Corps, in its infinite wisdom, has retained Silas and expanded his scope of work to include regional responsibilities. We wish him all the best, and hope to see him back in Mongolia some day on short-term assignment—and to fill in on the ultimate frisbee team. TAN's new Chief of Party, Elena Burian, has now taken over the reins of the project. We're delighted to have her aboard.

TAN Program Expansion. TAN is expanding into three new aimags this fall: Khentii, Arhangai, and Bulgan. TAN staff met with the representatives of more than 40 civil society organizations (CSOs) working in these aimags to introduce project goals and objectives, and to assess CSO interest in community mobilization activities.

CSO Network Support. In October the Dundgovi CSO network expanded its referral center services that connect rural citizens to legal, financial, and social services in the aimag. In the first two months of operation, the center received 98 complaints, requests, and comments from 80 aimag residents. Of those with complaints related to the difficulty in accessing local government services, 90% were subsequently linked to the needed services. The Uvurhangai CSO network organized a focus group discussion among 67 bagh (district) participants in Arvaikheer soum (county) to identify causes of corruption, corrupt agencies, and the scope of corruption on the bagh level. They published and disseminated results of the meeting and used them to initiate public discussion on a TV forum. Thirty representatives from local government and service providers—including police, health care institutions, schools, and local CSOs—took part in the discussion of corruption issues in Uvurkhangai aimag.

CSO Capacity Building. In October, TAN worked extensively with the CSOs in Uvurhangai and Dundgovi aimags to improve their service delivery and enhance partnership building with local business, government, and the media. CSO Networks in Uvurhangai and Dundgovi aimags brought together more than thirty CSOs, then of which were selected as core organizations for TAN CSO capacity building work. The core CSOs reported positive changes in their organizations as a result of their work in the networks and participation in the TAN Project. Most are using methods to ensure that their programs are operated transparently, and most use feedback from the general public and their constituencies to improve performance. Through network activities they were able to improve their cooperation with local business, media, and government to achieve common goals. All TAN partners acknowledged significant improvement in their service delivery due to their participation in the networks.

Social Entrepreneur Support. TAN was designed to not just build the organizational capacity of CSOs, but also to build the capacity of CSOs to innovate and employ sustainable ideas. In October TAN staff assisted local communities in three new aimags to identify and select social entrepreneurs to share the impact of their activities with CSOs through cross-fertilization visits with other aimags, and through the media. The award ceremony for social entrepreneurs will take place in each aimag at a "One Day of Our Bagh" event. This is a bagh-wide community day aimed at raising public awareness about CSO activities and other service providers in the community.

PACT Community REACH HIV/AIDS Grant

PACT

The new regional USAID grant to PACT to carry out HIV/AIDS work in Mongolia got off the ground in October. PACT began the scripting process for a 26-part HIV/AIDS educational TV drama series, and also delivered an in-house HIV/AIDS awareness workshop to both Pact and Mercy Corps staff. A field trip to Women and Faith, an organization doing peer training in Darkhan, and a relevant needs assessment were conducted, and PACT also helped compile and design relevant materials for World AIDS Day 2005

PART II: COUNTRY NEWS

Major New Buddhist Statue Erected. A huge new Buddhist statue was erected in October, near the foot of Bogd Khan Mountain on the southern outskirts of Ulaanbaatar. According to the UB Post, the statue is intended to “distribute the good energy stored in the Bogd Khan Mountain by blessing the people of Ulaanbaatar every morning as they wake.” The Buddha was “created in the Mongolian image, embodying the countenance, form and heart of the Mongolian people.”

Geological Exploration. It was reported by the Mongol Messenger in October that nearly \$100 million was spent in Mongolia last year on geological surveys, four percent of total global exploration expenditures. Since 2003 when the minerals law was passed, there has been about \$35 million in private domestic and foreign investment in surveying; \$33 million investment in the mining sector; and \$13 million in oil and gas.

Missing Dinosaur Egg Found. A dinosaur egg that “went missing” from the Mongolian Museum of Natural History in September surfaced in October at the southern border crossing into China. The egg was in a bag in a Russian jeep, and ultimately bound for Japan.

Women Mountaineers to Tackle Everest. A team of five Mongolian women have been given permission to climb Mt. Everest, the world’s tallest mountain, next year. The first successful scaling of the mountain by Mongolians occurred earlier this year.

Sumo Victory in Vegas. Mongolia’s famous world champion sumo wrestler Asashoryu won the Las Vegas Grand Sumo exhibition tournament in Las Vegas, Nevada in October. Out of respect for tradition, betting was—at least officially—forbidden.

On a lighter note...

And finally, on a lighter and truly bizarre note—even by Mongolian standards—two Belgian brothers have begun running across Mongolia backwards (you read it right), starting at opposite ends of the country. The 47-year old twins, who collaborate to raise money for charity but haven’t spoken to each other for fifteen years, are expected to cross each others paths in the Gobi sometime next March.

That’s it.